HESS CORPORATION

Fourth Quarter 2021 Conference Call Remarks

Jay Wilson – Vice President, Investor Relations

Good morning, everyone, and thank you for participating in our fourth quarter earnings conference call. Our earnings release was issued this morning and appears on our website, www.hess.com.

Today's conference call contains projections and other forward-looking statements within the meaning of the Federal Securities laws. These statements are subject to known and unknown risks and uncertainties that may cause actual results to differ from those expressed or implied in such statements. These risks include those set forth in the Risk Factors section of Hess' annual and quarterly reports filed with the SEC.

Also, on today's conference call, we may discuss certain non-GAAP financial measures. A reconciliation of the differences between these non-GAAP financial measures and the most directly comparable GAAP financial measures can be found in the supplemental information provided on our website.

On the line with me today are John Hess, Chief Executive Officer; Greg Hill, Chief Operating Officer; and John Rielly, Chief Financial Officer. In case there are audio issues, we will be posting transcripts of each speakers prepared remarks on www.hess.com following the presentation. I'll now turn the call over to John Hess.

John Hess – Chief Executive Officer

Thank you Jay. Welcome to our fourth quarter conference call. I hope all of you and your families are well and staying healthy. Today, I will review our continued progress in executing our strategy and provide a look at the year ahead. Then Greg Hill will discuss our operations, and John Rielly will cover our financial results.

2022 marks an inflection point in the execution of our strategy, as we go from investment mode to return of capital mode while still being able to invest to grow our business. Our strategy has been and continues to be to deliver high return resource growth, deliver a low cost of supply and deliver industry leading cash flow growth – while at the same time maintain our industry leadership in environmental, social and governance performance and disclosure.

In terms of resource growth, we have been disciplined in allocating capital to the best rocks for the best returns and have built a differentiated portfolio focused on the Bakken, deepwater Gulf of Mexico, Southeast Asia and Guyana, with its multiple phases of low cost oil developments. We expect all four of these assets to be free cash flow generative in 2022.

In terms of a low cost of supply, because of the investments we are making, our cash costs by 2026 are forecast to decline approximately 25 percent to $9 per barrel of oil equivalent versus 2021, and our portfolio breakeven is positioned to be one of the lowest in the industry by 2026, decreasing to $45 per barrel Brent.

In terms of cash flow growth, we have an industry leading rate of change and durability story. We are positioned to grow our cash flow at a compound rate of 25 percent per year out to 2026 based upon a Brent price of $65 per barrel – and any business that can grow its cash flow at twice the rate of its top line is a business you want to have in your portfolio.

Our company has been in investment mode for the last several years – building our portfolio to where it can deliver durable cash flow growth. The Liza Phase 2 project, which is on track for first oil this quarter, will add $1 billion of net operating cash flow annually at $65 Brent. Following project start up, we plan to repay the remaining $500 million of our term loan and to increase our base dividend. As our portfolio becomes increasingly free cash flow positive in the coming years, our top priority will be both to grow the base dividend and also accelerate our share repurchases.

Key to our strategy is Guyana – the industry's largest new oil province discovered in the last decade, which is positioned to be one of the highest margin, lowest carbon intensity oil developments globally according to a study by Wood Mackenzie. The world will need these low cost, high value resources to meet growing energy demand, particularly given underinvestment by our industry in recent years.

The International Energy Agency's latest World Energy Outlook provides multiple scenarios for addressing the dual challenge of growing the global energy supply by about 20 percent over the next 20 years and reaching net zero emissions by 2050. In all of the IEA scenarios, oil and gas will be needed for decades to come and significantly more investment will be required – much more in renewables and much more in oil and gas. A reasonable estimate for global oil and gas investment from these IEA scenarios is approximately $450 billion each year over the next 10 years. In 2020, that number was $300 billion. Last year's investment was $340 billion. So while investors and oil and gas companies need to remain capital disciplined, we also need to invest more in oil and gas than we are currently to ensure an affordable, just and secure energy transition.

Turning to our plans for the year ahead, our 2022 capital and exploratory budget is $2.6 billion, of which approximately 80 percent will be allocated to Guyana and the Bakken.

On the Stabroek Block in Guyana, where Hess has a 30 percent interest and ExxonMobil is the operator, we continue to see the potential for at least six floating production storage and offloading vessels or FPSOs in 2027 with a production capacity of more than 1 million gross barrels of oil per day and up to 10 FPSOs to develop the discovered resources on the block. Our three sanctioned oil developments on the block have a Brent breakeven oil price of between $25 and $35 per barrel.

In terms of our Guyana oil developments:

- Production capacity at the Liza Phase 1 development is expected to increase to more than 140 thousand gross barrels of oil per day following production optimization work.
- The Liza Phase 2 development is on track for startup this quarter with a gross production capacity of approximately 220 thousand barrels of oil per day.
- Our third development on the Stabroek Block at the Payara Field is on track for production startup in 2024, also with a gross capacity of approximately 220 thousand barrels of oil per day.

- The Yellowtail development has world class economics and will be the largest to date on the Stabroek Block, developing nearly 1 billion barrels of oil, with a gross production capacity of approximately 250 thousand barrels of oil per day. The Yellowtail project continues to make progress, has the full support of the Government of Guyana, which is finalizing its third party review, and remains on track for production startup in 2025.

We will continue to invest in an active exploration and appraisal program in Guyana in 2022, with approximately 12 wells planned for the Stabroek Block. Earlier this month, we announced two more significant discoveries on the block at the Fangtooth and Lau Lau wells. With these discoveries, the gross discovered recoverable resource estimate for the block is more than 10 billion barrels of oil equivalent – and we continue to see multibillion barrels of future exploration potential remaining. Positive results at Fangtooth, our first standalone deep exploration prospect, confirm the deeper exploration potential of the block. Both discoveries further underpin our queue of future low cost development opportunities.

In the Bakken, we plan to operate a three rig program in 2022, which will enable us to generate significant free cash flow, lower our unit cash costs and further optimize our infrastructure. Greg and our Bakken team continue to do an outstanding job of applying Lean manufacturing principles to keep driving down costs and building a culture of innovation and efficiency.

We will also continue to invest in our operated cash engines offshore. In the Gulf of Mexico, we will drill the Huron-1 exploration well and also a tieback well at the Llano field, and in Southeast Asia, we will invest in drilling and facilities – some of which was previously deferred due to COVID and low commodity prices.

We are proud of our workforce for living the Hess Values by working safely and delivering strong operating results especially during the pandemic. As we continue to execute our strategy, our commitment to sustainability will remain a top priority. Our Board and senior leadership have set aggressive five year targets for greenhouse gas emissions reduction for 2025. Most recently, we endorsed the World Bank's Zero Routine Flaring by 2030 initiative and have set a target to eliminate routine flaring from our operations by the end of 2025.

We are honored to have been recognized throughout 2021 as an industry leader in our environmental, social and governance performance and disclosure. In December, we achieved leadership status in CDP's annual Global Climate Analysis for the 13th consecutive year and in November earned a place on the Dow Jones Sustainability Index for North America for the 12th consecutive year.

In summary, 2022 marks an inflection point in the execution of our strategy. We have built a differentiated portfolio offering a unique value proposition – delivering durable cash flow growth that enables us to continue to invest in some of the highest return projects in the industry and also to start growing our cash returns to our shareholders.

I will now turn the call over to Greg Hill for an operational update.

Greg Hill – Chief Operating Officer

Thanks, John. 2021 was another year of strong operating performance and strategic execution for Hess. Proved reserves at the end of 2021 stood at 1.3 billion barrels of oil equivalent. Net proved reserve additions in 2021 totaled 348 million barrels of oil equivalent, including positive net price revisions of

107 million barrels of oil equivalent, resulting in an overall 2021 production replacement ratio of 295 percent and a finding and development cost of approximately $5.25 per barrel of oil equivalent.

Turning to production. In the fourth quarter and full year 2021, company-wide net production averaged 295 thousand barrels of oil equivalent per day, excluding Libya – in line with our guidance. For the full year 2022, we forecast net production to increase by 12 to 15 percent and average between 330 thousand and 340 thousand barrels of oil equivalent per day, excluding Libya. For the first quarter of 2022, we forecast net production to average between 275 thousand and 285 thousand barrels of oil equivalent per day, excluding Libya. This forecast reflects the impacts of severe winter weather in the Bakken, remedial maintenance work at the Baldpate and Penn State fields in the Gulf of Mexico and planned downtime on the Liza Destiny FPSO for production optimization work. Companywide net production is forecast to significantly increase over the course of the year driven both by Guyana and the Bakken, with the fourth quarter expected to average between 360 thousand and 370 thousand barrels of oil equivalent per day.

In the Bakken, both fourth quarter and full year 2021 net production were in line with our guidance, averaging 159 thousand and 156 thousand barrels of oil equivalent per day respectively.

We have a robust inventory of approximately 2,100 drilling locations in the Bakken that can generate attractive returns at $60 WTI, representing approximately 70 rig years of activity. In 2022, we plan to operate three rigs and expect to drill approximately 90 gross operated wells and bring approximately 85 new wells online. In the first quarter of 2022, we plan to drill approximately 22 wells and bring 10 new wells online. For the balance of the year, we expect to bring online an average of 25 wells per quarter.

In 2021, our drilling and completion cost per Bakken well averaged $5.8 million, which was $400,000 or 6 percent lower than 2020. In 2022, we expect to fully offset anticipated inflation through lean manufacturing and technology driven efficiency gains, and therefore D&C costs are expected to be flat with last year at approximately $5.8 million per well.

For the full year 2022, we forecast Bakken net production to average between 165 thousand and 170 thousand barrels of oil equivalent per day, a 6 to 9 percent increase over 2021. First quarter net production is forecast to average between 155 thousand and 160 thousand barrels of oil equivalent per day.

Beginning in the second quarter we expect to benefit from the addition of the third rig, which we added last September, and improving weather conditions. Net Bakken production is forecast to steadily ramp over the course of 2022 and to average between 175 thousand and 180 thousand barrels of oil equivalent per day in the fourth quarter.

Moving to the offshore, in the deepwater Gulf of Mexico, net production averaged 39 thousand barrels of oil equivalent per day in the fourth quarter and 45 thousand barrels of oil equivalent per day for the full year 2021, in line with our guidance.

The deepwater Gulf of Mexico remains an important cash engine for the company as well as a platform for growth. In 2022, we will resume drilling operations after a two year hiatus, with one tieback well planned at the Shell-operated Llano Field, and one exploration well planned at the Hess-operated Huron prospect on Green Canyon Block 69.

Over the last five years, we have focused our efforts on getting best in class imaging across our acreage position in northern Green Canyon, where we believe there is high potential for multiple, high-return hub class Miocene opportunities. Huron is the first of these opportunities, which attracted interest from multiple parties during the farmout process. We expect to spud Huron in the first quarter, with Hess having a 40 percent working interest and Shell and Chevron at 30 percent each. As part of our agreements with Shell and Chevron, we have also accessed additional Miocene prospects across Green Canyon and are excited about further potential in the play.

In February, Shell plans to spud the Llano-6 development well, in which Hess has a 50 percent working interest. The well will be tied back to Shell's Auger platform, with gross production from the well expected to build to a plateau rate of between 10 thousand and 15 thousand barrels of oil equivalent per day by the end of this year.

For the full year 2022, we forecast net production in the Gulf of Mexico to average approximately 35 thousand barrels of oil equivalent per day. First quarter net production is forecast to average between 30 thousand and 35 thousand barrels of oil equivalent per day.

In Southeast Asia, net production from the Joint Development Area and North Malay Basin, where Hess has a 50 percent interest, averaged 66 thousand barrels of oil equivalent per day in the fourth quarter and 61 thousand barrels of oil equivalent per day for the full year 2021, in line with our guidance.
For the full year 2022, we forecast net production in Southeast Asia to average approximately 65 thousand barrels of oil equivalent per day. In the first quarter, we forecast net production to average between 60 thousand and 65 thousand barrels of oil equivalent per day.

Turning to Guyana, where Hess has a 30 percent interest in the Stabroek Block and ExxonMobil is the operator. We have continued our extraordinary run of exploration success and increased our estimate of gross discovered recoverable resources to more than 10 billion barrels of oil equivalent.

Net production from Guyana averaged 31 thousand barrels of oil per day in the fourth quarter of 2021 and 30 thousand barrels of oil per day for the full year 2021, in line with our guidance.

For the full year 2022, we forecast net production in Guyana to average between 65 thousand and 70 thousand barrels of oil per day. In the first quarter we forecast net production from Guyana to average between 25 thousand and 30 thousand barrels of oil per day reflecting planned downtime on the Liza Destiny for production optimization as previously mentioned, and net production in the fourth quarter to increase to between 85 thousand and 90 thousand barrels of oil per day.

Earlier this month we announced significant discoveries on the Stabroek Block at Fangtooth and Lau Lau. Positive results at Fangtooth, our first standalone deep exploration prospect, help confirm the deeper exploration potential of the Stabroek Block. In the coming months, we will complete the analysis of the exploration well results. Appraisal activities will then be conducted to determine the optimal development approach and timing.

Lau Lau further underpins our queue of future low-cost development opportunities in the southeastern portion of the Stabroek Block. This discovery will also require appraisal to determine the ultimate development approach and timing.

We continue to see multi billion barrels of exploration potential on the Stabroek Block and in 2022, we plan to drill approximately 12 exploration and appraisal wells that will target a variety of prospects and play types. These will include lower risk wells near existing discoveries, higher risk step outs and several penetrations that will test deeper Lower Campanian and Santonian intervals.

Exploration wells planned for the first quarter of 2022 include:

Barreleye-1, located approximately 20 miles southeast of Liza. The primary target is lower Campanian with shallow and deeper secondary targets. The well spud on December 30th.
Tarpon-1, located approximately 63 miles northwest of Liza, will target lower Campanian clastics, plus a deeper Jurassic carbonate. The well will spud following completion of Fangtooth operations.

Patwa-1 is near our Turbot area discoveries. The well is approximately 3 miles northwest of the Cataback-1 discovery, with targets in upper Cretaceous clastic reservoirs. The well is anticipated to spud in March.

Lukanani-1 is in the southeastern part of the Stabroek Block, located approximately 2 miles west of Pluma and is anticipated to spud in March. The primary target is Maastrichtian age clastic reservoirs, with secondary objectives in lower Campanian reservoirs.

The appraisal program in 2022 will be focused on delineating future developments. First quarter appraisal activities will include the Tilapia-2 appraisal well, located approximately 24 miles southeast of Liza-1. The well will appraise the February 2019 Tilapia-1 discovery in the Turbot area and is anticipated to spud in March. In addition, we plan to conduct drill stem tests at Tilapia-1 and Pinktail-1.

Turning now to our Guyana developments. Development activity this year will include drilling for both the Liza Phase 2 and Payara projects. Initial development drilling activities will also begin for the Yellowtail project following approval of the Field Development Plan by the government.

A planned turnaround will be conducted in March on the Liza Destiny FPSO. Work activities will include production optimization work, designed to increase the vessel's production capacity.

At Liza Phase 2, the Liza Unity FPSO vessel is undergoing final hookup and commissioning after arriving in Guyanese waters in October 2021. Unity is on track to start production in the first quarter of 2022 with a capacity of approximately 220,000 gross barrels of oil per day.

With regard to our third development, at Payara, the overall project is 66 percent complete. SURF activities are progressing ahead of plan and we are preparing for a 2022 installation campaign. The hull for the Prosperity FPSO vessel is complete, and topside construction activities are ongoing in Singapore for planned production start-up in 2024.

The Field Development Plan and Environmental Impact Assessment for the fourth potential project, Yellowtail, have been submitted for government and regulatory review. The government is supportive of the project and startup remains on track for 2025. We look forward to continuing to work with the Government of Guyana and our partners to realize the extraordinary potential of this world class project.
Moving to Suriname, planning is underway for our second exploration well on Block 42 at the Zanderij-1 prospect targeting the Santonian and Deep play potential. The operator, Shell, has indicated that they expect to drill the well around mid-year. We see the acreage as a potential play extension from the Stabroek Block, with similar play types and trap styles. Shell, Chevron and Hess each have a one third working interest in Block 42.

In closing, our execution continues to be strong. The start up of Liza Phase 2 and steadily increasing production in the Bakken are expected to drive an approximate 30 percent increase in net production between the first quarter and fourth quarter of 2022 along with a significant increase in operating cash flow, which will underpin our commitment to increase cash returns to shareholders.

I will now turn the call over to John Rielly.

John Rielly – Chief Financial Officer

Thanks Greg. In my remarks today, I will compare results from the fourth quarter of 2021 to the third quarter of 2021 and provide guidance for 2022.

Consolidated Results of Operations

We had net income of $265 million in the fourth quarter of 2021 compared with $115 million in the third quarter of 2021. On an adjusted basis, third quarter net income was $86 million which excludes an after-tax gain of $29 million from the sale of our interests in Denmark.

Exploration and Production

E&P had net income of $309 million in the fourth quarter of 2021 compared with adjusted net income of $149 million in the third quarter. The changes in the after-tax components of adjusted E&P results between the fourth quarter and third quarter were as follows:

	Increase (Decrease) In Earnings	
Higher sales volume increased earnings by	$	158
Higher realized selling prices increased earnings by		103
Higher DD&A expense decreased earnings by		(44)
Higher midstream tariff expense decreased earnings by		(22)
Higher cash costs decreased earnings by		(21)
Higher exploration expenses decreased earnings by		(10)
All other items decreased earnings by		(4)
For an overall increase in fourth quarter earnings of	$	160

For the fourth quarter, our E&P sales volumes were overlifted compared with production by approximately 690,000 barrels which increased after-tax income by approximately $17 million.

Midstream Activities

The Midstream segment had net income of $74 million in the fourth quarter of 2021 compared with $61 million in the prior quarter. Midstream EBITDA, before noncontrolling interests, amounted to $246 million in the fourth quarter of 2021 compared with $203 million in the previous quarter.

Financial Position – Cash and Liquidity

At quarter end, excluding Midstream, cash and cash equivalents were $2.71 billion, and total liquidity was $6.3 billion including available committed credit facilities, while debt and finance lease obligations totaled $6.1 billion.

In the fourth quarter, net cash provided by operating activities before changes in working capital was $886 million compared with $631 million in the third quarter, primarily due to higher realized selling prices and sales volumes. In the fourth quarter, net cash provided by operating activities after changes in operating assets and liabilities was $899 million compared with $615 million in the third quarter.

In October, we received net proceeds of $108 million from the public offering of 4.3 million Hess-owned Class A shares of Hess Midstream. In January 2022, we paid accrued Libyan income taxes and royalties of approximately $470 million related to operations for the period December 2020 through November 2021.

Post the startup of the Liza Phase 2 development, we intend to pay off the remaining $500 million on our term loan and increase our dividend. With our strong cash and liquidity positions, and our industry leading cash flow growth, we are well positioned to significantly improve our credit metrics and increase cash returns to our shareholders in the coming years. We remain committed to returning the majority of our increasing free cash flow to shareholders through further dividend increases and share repurchases.

First Quarter and Full Year 2022 Guidance

<u>Exploration and Production</u>

We project E&P cash costs, excluding Libya, to be in the range of $13.50 to $14.00 per barrel of oil equivalent for the first quarter reflecting the impact of lower companywide production and higher initial per-unit costs for Liza Phase 2 during its production ramp up following first oil. Cash costs, excluding Libya, for full year 2022 are expected to be in the range of $11.50 to $12.50 per barrel of oil equivalent as the low cost Guyana production reduces our unit cash costs in the second half of the year as Liza Phase 2 reaches capacity. DD&A expense, excluding Libya, is forecast to be in the range of $11.50 to $12.00 per barrel of oil equivalent for the first quarter and $11.50 to $12.50 per barrel of oil equivalent for the full year. This results in projected total E&P unit operating costs, excluding Libya, to be in the range of $25.00 to $26.00 per barrel of oil equivalent for the first quarter and $23.00 to $25.00 per barrel of oil equivalent for the full year 2022.

Exploration expenses, excluding dry hole costs, are expected to be in the range of $40 million to $45 million in the first quarter and $170 million to $180 million for the full year. The midstream tariff is projected to be in the range of $285 million to $295 million for the first quarter and $1,190 million to $1,215 million for the full year 2022.

E&P income tax expense, excluding Libya, is expected to be in the range of $40 million to $45 million for the first quarter and $300 million to $310 million for the full year 2022.

For calendar year 2022, we have purchased WTI collars for 90,000 barrels of oil per day with an average monthly floor price of $60 per barrel and an average monthly ceiling price of $100 per barrel. We have also entered into Brent collars for 60,000 barrels of oil per day with an average monthly floor price of $65 per barrel and an average monthly ceiling price of $105 per barrel. We expect non-cash option premium amortization, which will be reflected in our realized selling prices, to reduce our results by approximately $55 million per quarter, or approximately $225 million for full year 2022.

In the first quarter we expect to have three liftings from Guyana with 2 lifts coming from the Liza Destiny and our first lift from the Liza Unity expected to occur at the end of March. In the second quarter, we expect a total of 5 liftings. After the Liza Unity reaches full production, which is currently projected for the third quarter of this year, we expect to have 8 liftings per quarter in Guyana from these two FPSOs. For the full year 2022, we expect 24 liftings in Guyana.

Our E&P capital and exploratory expenditures are expected to be approximately $650 million in the first quarter and approximately $2.6 billion for the full year 2022.Midstream

We anticipate net income attributable to Hess from the Midstream segment to be approximately $70 million for the fourth quarter and the full year is projected to be approximately $280 million, which is the midpoint of our previous guidance of $275 million to $285 million.

Corporate and Interest

Corporate expenses are estimated to be in the range of $35 million to $40 million for the first quarter and $120 million to $130 million for the full year. Interest expense is estimated to be in the range of $90 million to $95 million for the first quarter and $350 million to $360 million for the full year 2022.

This concludes my remarks. We will be happy to answer any questions. I will now turn the call over to the operator.

Forward-looking Statements

This script and accompanying release contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Words such as “anticipate,” “estimate,” “expect,” “forecast,” “guidance,” “could,” “may,” “should,” “would,” “believe,” “intend,” “project,” “plan,” “predict,” “will,” “target” and similar expressions identify forward-looking statements, which are not historical in nature. Our forward-looking statements may include, without limitation: our future financial and operational results; our business strategy; estimates of our crude oil and natural gas reserves and levels of production; benchmark prices of crude oil, natural gas liquid (NGL) and natural gas and our associated realized price differentials; our projected budget and capital and exploratory expenditures; expected timing and completion of our development projects; and future economic and market conditions in the oil and gas industry.

Forward-looking statements are based on our current understanding, assessments, estimates and projections of relevant factors and reasonable assumptions about the future. Forward-looking statements are subject to certain known and unknown risks and uncertainties that could cause actual results to differ materially from our historical experience and our current projections or expectations of future results expressed or implied by these forward-looking statements. The following important factors could cause actual results to differ materially from those in our forward-looking statements: fluctuations in market prices of crude oil, NGL and natural gas and competition in the oil and gas exploration and production industry, including as a result of COVID-19; reduced demand for our products, including due to COVID-19, competing or alternative energy products and political conditions and events; potential failures or delays in increasing oil and gas reserves, including as a result of unsuccessful exploration activity, drilling risks and unforeseen reservoir conditions, and in achieving expected production levels; changes in tax, property, contract and other laws, regulations and governmental actions applicable to our business, including legislative and regulatory initiatives regarding environmental concerns, such as measures to limit greenhouse gas emissions and flaring as well as fracking bans; operational changes and expenditures due to climate change and sustainability related initiatives; disruption or interruption of our operations due to catastrophic events, such as accidents, severe weather, geological events, shortages of skilled labor, cyber-attacks, health measures related to COVID-19 or climate change; the ability of our contractual counterparties to satisfy their obligations to us, including the operation of joint ventures under which we may not control and exposure to decommissioning liabilities for divested assets in the event the current or future owners are unable to perform; unexpected changes in technical requirements for constructing, modifying or operating exploration and production facilities and/or the inability to timely obtain or maintain necessary permits; availability and costs of employees and other personnel, drilling rigs, equipment, supplies and other required services; any limitations on our access to capital or increase in our cost of capital, including as a result of weakness in the oil and gas industry or negative outcomes within commodity and financial markets; liability resulting from litigation, including heightened risks associated with being a general partner of Hess Midstream LP; and other factors described in *Item 1A—Risk Factors* in our Annual Report on Form 10-K and any additional risks described in our other filings with the Securities and Exchange Commission (SEC).

As and when made, we believe that our forward-looking statements are reasonable. However, given these risks and uncertainties, caution should be taken not to place undue reliance on any such forward-looking statements since such statements speak only as of the date when made and there can be no assurance that such forward-looking statements will occur and actual results may differ materially from those contained in any forward-looking statement we make. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events or otherwise.

Non-GAAP financial measures

The Corporation has used non-GAAP financial measures in this script and accompanying release. "Adjusted net income (loss)" presented in this script and accompanying release is defined as reported net income (loss) attributable to Hess Corporation excluding items identified as affecting comparability of earnings between periods. "Net cash provided by (used in) operating activities before changes in operating assets and liabilities" presented in this script and accompanying release is defined as Net cash provided by (used in) operating activities excluding changes in operating assets and liabilities. Management uses adjusted net income (loss) to evaluate the Corporation's operating performance and believes that investors' understanding of our performance is enhanced by disclosing this measure, which excludes certain items that management believes are not directly related to ongoing operations and are not indicative of future business trends and operations. Management believes that net cash provided by (used in) operating activities before changes in operating assets and liabilities demonstrates the Corporation's ability to internally fund capital expenditures, pay dividends and service debt. These measures are not, and should not be viewed as, a substitute for U.S. GAAP net income (loss) or net cash provided by (used in) operating activities. A reconciliation of reported net income (loss) attributable to Hess Corporation (U.S. GAAP) to adjusted net income (loss), and a reconciliation of net cash provided by (used in) operating activities (U.S. GAAP) to net cash provided by (used in) operating activities before changes in operating assets and liabilities are provided in the accompanying release.

Cautionary Note to Investors

We use certain terms in this script and accompanying release relating to resources other than proved reserves, such as unproved reserves or resources. Investors are urged to consider closely the oil and gas disclosures in Hess Corporation's Form 10-K, File No. 1-1204, available from Hess Corporation, 1185

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